The Authentic Leadership is Source of Intrinsic Motivation in Work Engagement with Moderating Role of Overall Trust (Cognitive and Affective Trust)

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Abstract
The current research was conducted to examine the impact of authentic leadership on work engagement of followers. The existing study extend the research to check mediating effect of intrinsic motivation of employees in the relationship between authentic leadership and work engagement. This study also evaluates the moderating effect of cognitive and affective trust on authentic leadership and intrinsic motivation. Data was obtained from private sector, 350 employees of Rawalpindi and Islamabad, Pakistan responded to the questionnaire.

Keywords: Authentic Leadership, Work engagement, intrinsic motivation, trust, cognitive trust, affective trust.

1. Introduction
The notion of authenticity can be found back to ancient Greek philosophy, the construct of authentic leadership ought to be more recent in organization culture; several researchers have shown value to the relationship of authentic leadership with follower performance (Avolio, Gardner, Walumbwa, Luthans, & May, 2004; Gardner, Avolio, Luthans, May, & Walumbwa, 2005; Harter, et al, 2002; Khan, 2010; Hassan & Ahmed, 2011; Walumbwa et al., 2011). The concept of authentic leader is classified into high degree of integrity, authentic leaders display deep sense of purpose and they are committed to their core values (Avolio, et al, 2004). They promote trusting relationship among followers which results in several positive outcomes like job satisfaction, organizational commitment, intention to stay and work engagement. Authentic leaders have consistent values they focused in doing right and ethical things and they focused on the development of others and they ensure transparent communication and relationship with followers (Roncesvalles & Sevellia, 2015). Creativity is first step of success. Leaders can motivate follower’s creativity by continuous support and trust (Obiwuru et al., 2011). The purposed study is about to explore to what degree authentic leadership is associated with trust and intrinsic motivation of employees to foster work engagement. This research will become a guideline for organization to understand the importance of authenticity and they will give importance to authenticity at time of hiring a leader for their organization. A leader who is high in ethical moral will become more productive for organization success and followers can easily trust him. Managers should encourage employee to motivate for work and conduct training programs to increase intrinsic motivation in workplace.

1.1 Gap Analysis/ Rationale of the study
Despite the recent surge of interest, the understanding of trust mechanism between relationship of authentic leadership and work engagement remains limited, and several questions remain unanswered in this literature (Hassan & Ahmed, 2011; Stander, Beer, & Stander, 2015). The majority of studies have focused on the direct influence of authentic leadership with work engagement with a few exceptions (Datta, 2015; Seco & Lopes, 2013, Alok, 2012; Lin, 2010; & Frosh, 2001). Additional research is clearly needed to determine how and why trust both basics are important and how to intrinsically motivate employee for work engagement. As per knowledge of researcher no prior study is found that has been used to investigate the effect of intrinsic motivation and both dimensions of trust (cognitive and effective trust) on authentic leadership and work engagement in a single study (Bakker & Demerouti 2008; Seco & Lopes, 2013; & Lin, 2010).

This study investigates the effect of intrinsic motivation on authentic leadership and work engagement and also the moderating role of cognitive trust and affective trust on the relationship of authentic leadership and intrinsic motivation.

1.2 Theoretical Foundation
This study model is based on two theories Social exchange theory and self-determined theory. Social exchange theory is most famous and widely used theory in the context of work engagement (Khan & Iqbal, 2013). Moreover researchers (Ariani, 2014; & Sak, 2006) favor social exchange theory provide insight that how leaders influence their followers. According to Cavazotte, Duarte & Gobbo (2013) authentic leadership is the exchange process between leaders and followers and it is explained through social exchange theory because it well explains the relationship of leaders and performance. The main concept of this theory is that an individual’s actions and reactions, including social behaviours and cognitive processes are based on exchange process. They exchange goodness for good behavior and feel unsatisfied when they think leaders do not trust them. According

2. Literature Review and Hypotheses Development

2.1 Authentic Leadership

Frosh, (2001) explained authenticity is a Greek philosophy which means “To thine own self be true”. Khan, (2010) noted that authenticity is set of personal values, beliefs and thoughts and to behave accordingly. Cerne, Skerlavaj, & Jaklic, (2013) further reported authenticity that these leaders have the aptitude to match their preference with the demands of society and they are clear in their values, beliefs and goals and also they can adjust their behavior as a leader with their own self. Rego, Sousa, Marques, & Cunha, (2012) revealed that authentic leadership is comprised of transformational leadership and emotional intelligence.

2.2 Intrinsic Motivation

Intrinsic motivation is activity for inherent satisfaction in which a person is motivated because of fun or a challenge not for reward or external prods (Ryan & Deci, 2000). Intrinsic motivation of an individual orientation can be assessed by his capacity of competancy, the extent to which he can influence strategic, operational, and administrative outcomes in a work environment, his work goals and self-determination (Emuwa, 2013).

2.3 Overall Trust – Cognitive and Affective trust

Trust is defined by Gillespie & Mann, (2004) that it is a psychological state which is based on positive expectations or the level of rely on the behaviours of others and disclose the sensitive information to them. Hassan & Ahmed, (2011) viewed that trust is manifest by one’s actions it is a willingness to rely on other party where the vulnerabilities are not exploited and relationship will remain safe and respectful. Norman, Avolio, & Luthans, (2010) provides even further support that trust increase the expectations thus the individual would be expected to be described as more trustworthy because it includes competence, integrity and benevolence.

2.4 Work engagement

Work engagement is characterized by energy, involvement & efficacy (Saks, 2006). Saks further argued that work engagement is a positive state of mind related with vigor, dedication, and absorption, it is not momentary or a specific state but a persistent and pervasive affective-cognitive state. Ariani, (2014) reported that work engagement is a wide concept, which understand and improve individual and organizational performance and can be influenced by the leader.

2.5 Hypothesis Section

2.5.1 Authentic leadership and work engagement

As discussed before that Authentic leadership plays an important role in work performance. Rego, Sousa, Marques, & Cunha, (2014) noted that authentic leadership is a pattern of a leader behaviour that promotes positive work ethical climate in organization. Authentic leadership predicts employee creativity (Walumbwa, et al, 2008). This is because we can conclude that Authentic leadership fosters positive work engagement in individual and increase the performance. This relation found that higher the supervisor authenticity then higher the work engagement. The followers will develop a positive attitude towards the work.

H1: There is a positive relationship between authentic leadership and work engagement.

2.5.2 Authentic Leadership and Intrinsic Motivation

Previous study (Muceldili, Turanc, & Erdilb, 2013) found that authentic leadership predicts innovativeness both directly and indirectly in employees. In today’s dynamic work creativity is important for competitive advantage. Creativity in employees can be enhanced by their leader by fulfilling job requirement, giving feedback on creative goal progress and rewarding employees. Creativity comes when employees are internally motivated for task as discussed in literature (Dysvik & Kuvaas, 2011). Researchers like Walumbwa, et al. (2008) explored authentic leadership have four components these are selfawareness, internalized moral perspectives, relational transparency and balanced processing. Therefore intrinsic motivation is recommended by researchers that it enhance creativity among followers (Zhou & Ren 2012).

H2: Authentic leadership has positive effect on employees through intrinsic motivation

2.5.3 Intrinsic Motivation and Work Engagement

Shu,( 2015) suggested that employees with high level of intrinsic motivation are more creative they welcome large number of roles, responsibilities and innovative ideas which fosters in a supported environment and increase work engagement. Innovative ideas are important for effective work engagement it helps in developing long term success and deal with instable environment (Muceldili, Turanc, & Erdilb, 2013). They further argued that authentic leaders have impact on innovation. Thus this debate helps to draw hypothesis 3 and 4.
H3: Intrinsic motivation and work engagement has the positive relationship

H4: Intrinsic motivation has a positive effect between authentic leadership and work engagement.

2.5.4 Moderating role of Trust, cognitive and affective trust with authentic leadership and intrinsic motivation

Trust in leaders contribute to work engagement Interpersonal trust mediate between authentic leadership and work engagement (Hassan & Ahmed, 2011). They found that trust in leader facilitate work engagement and are more willing to be vulnerable at the expense of their leaders’ actions. A common believe is that people like to work for where they trust in such environment they feel enthusiastic and feel proud in what they do. Avoilo, et al, (2004) suggested that interpersonal trust between leader and follower influence positively employee work engagement. Followers feel trust trust from their leaders when leaders help in assiting their goals, help them in organizing their work, highlighting their drawback and giving them a positive feedback for their acheivments, showing interest in their development and career and advice them when they need (Macey and Schneider, 2008). These arguments lay foundation for hypothesis 5 and 6.

H5: Overall trust increases the intrinsic motivation of followers.

H6: Overall trust has positive impact on authentic leadership and intrinsic motivation.

2.6 Proposed Model

This research proposes a model on the basis of above literature review.

![Proposed Model](image)

Figure1. Proposed Model

3. Data collection procedure

This is a quantitative approach. Primary data is collected through structured Questionnaire. Questionnaires are used widely to collect data and it is proved to be a good tool for data collection in many studies. Sample size for this study is determined by the formula for private sector Berenson, Levine, Szabat, & Krehbiel, (2012)
The questionnaire consists of 68 items. Primary data is collected from 351 individuals of private sector for this study. Almost 400 questionnaires were distributed in targeted organizations. In this study total sample size was 351, in which 60% were male and 40% were females.

The data collected from the individual who were varied in age, ranging from 20 to 41 above but majority of the respondents lied between the ages of 25 to 40 years. As per data collected; 40% had done bachelors, 52% were Master degree holders, 6% were Mphil and 2 respondents were doing PHD.

4. Proposed Analyses

This study analyzes data both in descriptive and inferential manner. Descriptive portion, reliability through Crone batch Alfa, frequency distribution, correlation.

The inferential portion will cover Hypothesis testing through Test of significance. The Study has also run Regression Analysis by using Statistical package of social sciences SPSS version 20.
5. Results
Table 1: Reliability Statistics

<table>
<thead>
<tr>
<th>S.No</th>
<th>Variables</th>
<th>No. of items</th>
<th>Cronbach’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Authentic Leadership</td>
<td>16</td>
<td>.860</td>
</tr>
<tr>
<td>2.</td>
<td>Trust</td>
<td>7</td>
<td>.900</td>
</tr>
<tr>
<td>3.</td>
<td>Cognitive Trust</td>
<td>5</td>
<td>.781</td>
</tr>
<tr>
<td>4.</td>
<td>Affective Trust</td>
<td>6</td>
<td>.816</td>
</tr>
<tr>
<td>5.</td>
<td>Intrinsic Motivation</td>
<td>18</td>
<td>.891</td>
</tr>
<tr>
<td>6.</td>
<td>Work Engagement</td>
<td>17</td>
<td>.847</td>
</tr>
</tbody>
</table>

This research show very significant reliability. The reliability of all the variables was above 0.6 & .7 coefficient alpha is widely accepted standard which is considered as good in management sciences (Nunnally, 1978).

5.1.1 Reliability Analysis of Authentic Leadership

Authentic leadership was selected as an independent variable for this study. Authentic leadership is measured by using the 16-item of Walumbwa et al. (2008). The reliability of Authentic Leadership is .860. The item no. 14 was reverse coded question which was later computed by a formula. The few sample items of authentic leadership with their respective cronbach’s alpha are shown here. 1) My leader persuade feedback for improving his/her dealings with others<.852>, 2) My leader clearly states what he/she means<.844>, 3) My leader shows consistency between his/her beliefs and actions<.847>, 4) My leader asks for ideas that challenge his/her core beliefs<.857>.

5.1.2 Reliability Analysis of Overall Trust

Trust with its two basic dimensions i.e. cognitive trust and affective trust is used as a moderator in this study. Trust is measured through 7 item scale of Wohrle, Oudenhoven, Otten & Kare, (2015). Cognitive & Affective trust is measured through 10 item scale of Daniel J. McAlistter, (1995). The reliability of Trust was highest among all the variables .900 respectively while cognitive trust has .781 reliability and the second dimension affective trust shows .816 reliability. The sample items of overall trust with their respective cronbach’s alpha are 1) My supervisor is competent<.886>, 2) I trust my supervisor<.886>, 3) I have a sharing relationship with my supervisor, and we share our ideas, feelings and hopes<.781>, 4) I can talk freely to him about difficulties I am having at work<.754>, 5).

5.1.3 Reliability Analysis of Intrinsic motivation

Intrinsic motivation was used as mediator in this study. It is measure through 17 item scale of Pelletier et al, (2013). Intrinsic motivation reliability is .891. Question no 16 was reverse coded question which was computed by the formula. The sample items of intrinsic motivation with their respective cronbach’s alpha are 1) I work for the pleasure it gives me to know more about the job that I practice<.891>, 2) I work for the pleasure of discovering new techniques<.879>, 3) I work for the pleasure I feel while learning training techniques that I have never tried before<.883>, 4).

5.1.4 Reliability Analysis of Work Engagement

Work engagement is selected as a dependent variable in this study. The reliability of work engagement in this study is .847. Work engagement was measured through its 18 item scale of Schaufeli et al, (2001); all the items show good reliability between .831 & .851. Question no. 9 and question no. 17 were reverse coded question which were computed by the formula. The sample items of work engagement are 1) When I get up in the morning, I feel like going to work<.845>, 2) At my work, I feel bursting with energy<.835>, 3) At my work I always persevere, even when things do not go well<.837>.

5.2 Deviation, Correlation

Table 2. Mean, Standard Deviation, Correlation

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>St.dev</th>
<th>Al</th>
<th>Trust</th>
<th>IM</th>
<th>WE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Al</td>
<td>3.5410</td>
<td>.54122</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>3.4822</td>
<td>.66420</td>
<td></td>
<td>.734**</td>
<td></td>
<td></td>
</tr>
<tr>
<td>IM</td>
<td>3.7563</td>
<td>.55441</td>
<td></td>
<td>.432**</td>
<td>.419**</td>
<td></td>
</tr>
<tr>
<td>WE</td>
<td>3.6291</td>
<td>.52318</td>
<td></td>
<td>.411**</td>
<td>.418**</td>
<td>.671**</td>
</tr>
</tbody>
</table>

Table 2 reports means, standard deviations, and Pearson correlations among studied variables. The results of Table 2 shows that there is a significant and positive association between Authentic Leadership and Overall Trust ($r=.734$,$p<0.01$); there is significant and positive association between Authentic Leadership and Intrinsic motivation($r=.432$,$p<0.01$) and there is also significant association between Authentic Leadership and work engagement ($r=.411$,$p=0.01$).
5.3 Regression analysis

Table 3. Results of hierarchical regression modeling:

<table>
<thead>
<tr>
<th>Intrinsic Motivation</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>β</td>
<td>R²</td>
<td>ΔR² R square change</td>
</tr>
<tr>
<td>Step 1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Controls(Constant)</td>
<td>3.637**</td>
<td>.038 **</td>
<td>.024**</td>
</tr>
<tr>
<td>Step 2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Independent variable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authentic Leadership</td>
<td>.252***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Overall Trust</td>
<td>.187***</td>
<td>.221***</td>
<td>.183***</td>
</tr>
<tr>
<td>Step 3</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interaction</td>
<td>.356***</td>
<td>.301***</td>
<td>.081***</td>
</tr>
</tbody>
</table>

n= 351 Notes: **p<0.01, *p<0.05, *p<0.1

Hierarchical regression modeling (HRM) was used to test the hypotheses of this study. Table 3 reveals that Authentic Leadership was positively related to intrinsic motivation (β = .252, p < .01) H2 was supported. Similarly, Table 3 shows that overall trust was positively related to intrinsic motivation (β = .187, p < .01) and also positively associated with authentic leadership hence it supports H5 and H6. The interaction term of Authentic Leadership x Overall Trust was significant for intrinsic motivation (β = .356, p<.01; ΔR²). The results show that interaction term of authentic leadership and overall trust has highly significant value (.356, p< .01) which proves the moderation exist in the model hence it is stated that overall trust strengthen the relationship between authentic leadership and intrinsic motivation.

Table 4. Main effect & mediated regression analysis of AL, IM & WE

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Mediator Variable IM</th>
<th>Dependent Variable WE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>β</td>
<td>R²</td>
</tr>
<tr>
<td>Main Effect Authentic Leadership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 1 Control variables</td>
<td></td>
<td>.037</td>
</tr>
<tr>
<td>Step 2 AL</td>
<td>.377</td>
<td>.185</td>
</tr>
<tr>
<td>Main Effect Authentic Leadership</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 1 Control variables</td>
<td></td>
<td>.038</td>
</tr>
<tr>
<td>Step 2 AL</td>
<td>.421</td>
<td>.198</td>
</tr>
<tr>
<td>Mediation Intrinsic Motivation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 1 Control variables</td>
<td></td>
<td>.037</td>
</tr>
<tr>
<td>Step 2 Intrinsic Motivation</td>
<td></td>
<td>.620</td>
</tr>
<tr>
<td>Step 3 AL</td>
<td>.132</td>
<td>.477</td>
</tr>
</tbody>
</table>

Table 4 depicts the mediation results. Mediation is done by baron & Kenny (1986) 4 steps. Table 4 results indicate that (iv) authentic leadership (.377, p<.01) has significantly positive influence on work engagement (dv) H1 accepted. Similarly, (iv) authentic leadership (.421, p<.01) is positively influenced by intrinsic motivation (mediator) hypothesis 3 accepted. Intrinsic motivation is positively related to work engagement (.620, p<.01) and in the last step work engagement is positively related to intrinsic motivation and authentic leadership hence hypothesis 4 supported.

6. Discussions, Limitations, Future Directions, and Conclusion

The first hypothesis of the study authentic leadership was found to be positively related to work engagement which is consistent with the previous findings of (Saks, 2006; Schaufeli & Bakker, 2004). Deci, Connell and
Ryan (1989) demonstrated that authentic leaders foster intrinsic motivation of employees which increases employees work engagement as confirmed by this study. Saks (2006) behavior of leader is a source of motivation and satisfaction for his men. Leroy, Polanski and Simons (2012) also found that authentic leader are those who interact with follower in an open way and communicate and understand them on each perspective clearly. This openness creates a trust between leader and follower. Avey, Hughes, Norman, and Luthan (2008), expressed that leadership has a positive relationship with employee engagement. This study findings match to prior studies (Walumbwa et al. (2008); Avolio, Gardner and Walumbwa (2007) and Harrter, Schmidt, & Hayes, 2002; Harter, Schmidt, & Keyes, 2003) meta-analyses which show that engagement is positively and strongly associated to a number of key predictors authentic leadership, trust, optimism self-efficacy, work satisfaction. In the past research authentic leadership showed a significant correlation with self-efficacy, and optimism also showed a significant correlation with work engagement and also significant positive correlation exists between authentic leadership and work engagement (Roxu, 2010).

6.1 Limitations
The time required to collect data was very short. Questionnaire filled from different private sector organizations and most of employees were engaged in their work activities due to busy schedule that is why most employees were reluctant to fill the questionnaire because of length of scale. Item consisted of more than 1 item for single variable respondent take it as too lengthy as much of time is needed to fill.

6.2 Future Direction
Respondents from this present study were elicited from a single sample used from just one organization which may bound the generalizability of this findings to other organizational context. Similarly further work is needed to find out the authentic leadership is different from existing theories of leadership i.e. transformational leadership, charismatic leadership, inspirational and servant leadership. Future research should also need to indicate how some other leadership theories might be connected to authentic leadership.

6.3 Conclusion
Human resource especially employees who are intrinsically motivated are valuable assets for the organizations. Distrust on leaders, lack of communication and low work engagement has become a serious problem for management. Today managers are finding it difficult to maintain transparency, open communication and trust worthy environment which results in low work engagement. These issues greatly demands management attention. This study is significantly important to analyze because authentic leadership remains the eye catch for many researchers of management structure. This study will be valuable for organizations and managers in many ways. First it will help them to understand how authentic leadership effects work engagement. Further it will help managers to understand how to keep employees intrinsically motivated and how to build their trust on leaders at work. Secondly this study will help to increase the knowledge and understanding of organizations and managers regarding retention, performance and emotional problems of employees. It will help them to make such policies that will help them to overcome such issues in future. Existing research will be filling gap. This study will improve the skill of researcher himself through exploring the area. This study will provide a useful line or guide line for future researches to carryout similar topic or relevant topic. This particular research study will provide mechanism / solution model to the management to improve existing system practices and procedures. This research study will provide useful guideline to the policy maker for making rational policies in the concerned area of study.

7. References:


